

Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014



February 10, 2015

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 Trading accounts: Unestablished

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2014 (April 1, 2014 to December 31, 2014)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Net ordinary income		Net income attributable to Japan Post Holdings	
	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2014	10,803,637	(5.5)	843,390	0.9	404,669	2.6
Nine months ended December 31, 2013	11,434,062	-	835,841	-	394,256	-

(Note) Comprehensive income: Nine months ended December 31, 2014: ¥1,690,170 million [200.8%]
 Nine months ended December 31, 2013: ¥561,883 million [-%]

	Net income per share	Diluted net income per share (Note)
	Yen	Yen
Nine months ended December 31, 2014	2,697.80	-
Nine months ended December 31, 2013	2,628.38	-

(Note) Because there was no dilution, the amount for diluted net income per share is omitted.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of December 31, 2014	295,282,009	14,779,688	5.0
As of March 31, 2014	292,246,440	13,388,650	4.6

(Reference) Equity: As of December 31, 2014: ¥14,776,839 million
 As of March 31, 2014: ¥13,387,076 million

(Note) Equity ratio = [(Net assets – Stock acquisition rights – Non-controlling interests) / Total assets] x 100

2. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(% indicates changes from the previous corresponding period.)

	Net ordinary income		Net income attributable to Japan Post Holdings		Net income per share
	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2015	970,000	(12.1)	420,000	(12.3)	2,800.00

(Note) Revision to the financial results forecast from the recently announced figures: Yes

* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of accounting method specific to preparation of interim consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No

(Note) For details, please refer to [Attachment] “2. Matters Concerning Summary Information (Notes)” on page 3.
- (4) Total number of shares issued (common stock)

Total number of shares issued at the end of the period:

 - December 31, 2014: 150,000,000 shares
 - March 31, 2014: 150,000,000 shares

* Explanation on the appropriate use of financial results forecast and other specific matters

These materials were prepared solely for the purpose of providing information to the general public, and should not be construed as solicitation for investment in shares of the Company or its subsidiaries, or any other securities.

Forecasts and other forward-looking statements presented in this document are based on information available to the Company at present and certain assumptions that the Company has deemed reasonable, and the Company provides no assurance that the forecasts will be achieved or with respect to any other forward-looking statements. The actual future results may vary considerably depending upon various factors.

[Attachment]

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1. Qualitative Information on Interim Financial Results for the Period under Review

(1) Explanation of Results of Operations

Net income of the four principal Group companies (Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd.) for the nine months ended December 31, 2014 is as follows:

Company	Net income
Japan Post Holdings Co., Ltd.	¥152.2 billion
Japan Post Co., Ltd.	¥17.4 billion
Japan Post Bank Co., Ltd.	¥280.0 billion
Japan Post Insurance Co., Ltd.	¥73.7 billion

As a result of consolidating other subsidiaries and affiliates, net income attributable to Japan Post Holdings for the nine months ended December 31, 2014 was ¥404.6 billion.

(2) Explanation of Financial Position

Consolidated total assets were ¥295,282.0 billion, an increase of ¥3,035.5 billion from the end of the previous fiscal year. Assets included securities of ¥224,646.6 billion and loans of ¥13,375.3 billion.

Consolidated total liabilities were ¥280,502.3 billion, an increase of ¥1,644.5 billion from the end of the previous fiscal year. Liabilities included deposits of ¥176,709.5 billion and policy reserves of ¥78,595.8 billion.

Net assets increased ¥1,391.0 billion from ¥13,388.6 billion at the end of the previous fiscal year to ¥14,779.6 billion. Net assets included net unrealized gains on available-for-sale securities of ¥4,302.6 billion.

(3) Explanation of Consolidated Financial Results Forecast and Other Future Projections

With regard to consolidated financial results forecast for the fiscal year ending March 31, 2015, the forecast figures announced on May 15, 2014 have been revised as follows in light of the actual business results and other factors for the nine months ended December 31, 2014.

Net ordinary income	¥970.0 billion (an increase of ¥150.0 billion from the previously announced forecast)
Net income attributable to Japan Post Holdings	¥420.0 billion (an increase of ¥90.0 billion from the previously announced forecast)

2. Matters Concerning Summary Information (Notes)

Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement (Changes in Accounting Policies Due to the Revision of Accounting Standards)

Effective from the three months ended June 30, 2014, with respect to the application of the “Accounting Standard for Retirement Benefits” (Accounting Standard Board of Japan (“ASBJ”) Statement No. 26, May 17, 2012; hereinafter referred to as the “Retirement Benefits Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012; hereinafter referred to as the “Guidance on Retirement Benefits”), the Company has adopted provisions stated in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the main clause of Paragraph 67 of the Guidance on Retirement Benefits. Accordingly, the Company has revised the calculation methods for retirement benefit obligations and service cost and changed the method of attributing expected benefit to each fiscal year from the straight-line basis to the benefit formula basis. In addition, the method for determining the discount rate has been changed from the method using a discount rate based on the number of years which approximates the estimated average remaining service lives for employees to the method using a single-weighted average discount rate which reflects the estimated payment periods of retirement benefits and the amounts by the respective estimated payment periods.

In accordance with the transitional application provided for in Paragraph 37 of the Retirement Benefits Accounting Standard, the effects of changes of the calculation methods for retirement benefit obligations and service cost are recognized in retained earnings at the beginning of the nine months ended December 31, 2014.

As a result, liability for retirement benefits increased by ¥263,412 million while retained earnings decreased by ¥256,948 million at the beginning of the nine months ended December 31, 2014. In addition, net ordinary income and income before income taxes for the nine months ended December 31, 2014 both increased by ¥7,921 million.

3. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Cash and due from banks	21,994,452	33,181,551
Call loans	2,073,594	3,383,037
Receivables under securities borrowing transactions	10,034,958	10,773,825
Monetary claims bought	169,721	311,367
Trading account securities	278	121
Money held in trust	3,500,631	4,582,439
Securities	235,623,120	224,646,646
Loans	14,096,911	13,375,318
Foreign exchanges	30,659	36,673
Other assets	1,083,760	1,289,805
Tangible fixed assets	2,665,243	2,744,335
Intangible fixed assets	270,559	284,794
Deferred tax assets	592,844	582,576
Customers' liabilities for acceptances and guarantees	115,000	95,000
Reserve for possible loan losses	(5,295)	(5,486)
Total assets	292,246,440	295,282,009

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Deposits	175,291,979	176,709,555
Policy reserves and others	80,799,941	78,595,868
Reserve for outstanding claims	831,690	695,817
Policy reserves	77,745,490	75,754,709
Reserve for policyholder dividends	2,222,759	2,145,341
Payables under securities lending transactions	14,370,767	15,581,175
Foreign exchanges	249	358
Other liabilities	3,678,082	4,094,925
Reserve for bonuses	93,649	24,211
Liability for retirement benefits	2,884,827	3,135,201
Reserve under the special laws	614,233	692,958
Reserve for price fluctuations	614,233	692,958
Deferred tax liabilities	1,009,058	1,573,065
Acceptances and guarantees	115,000	95,000
Total liabilities	278,857,789	280,502,320
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,503,856	4,503,856
Retained earnings	2,967,703	3,071,924
Total shareholders' equity	10,971,559	11,075,780
Net unrealized gains (losses) on available-for-sale securities	2,750,463	4,302,642
Net deferred gains (losses) on hedges	(596,892)	(841,857)
Foreign currency translation adjustments	66	82
Accumulated adjustments for retirement benefits	261,879	240,190
Total accumulated other comprehensive income	2,415,517	3,701,058
Non-controlling interests	1,573	2,849
Total net assets	13,388,650	14,779,688
Total liabilities and net assets	292,246,440	295,282,009

(2) Interim Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Interim Consolidated Statements of Income
Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Ordinary income	11,434,062	10,803,637
Postal business income	1,321,660	1,354,360
Banking business income	1,575,030	1,567,634
Life insurance business income	8,401,535	7,723,322
Other ordinary income	135,836	158,320
Ordinary expenses	10,598,221	9,960,247
Operating expenses	8,750,861	8,083,349
Personnel expenses	1,703,797	1,728,809
Depreciation and amortization	130,884	134,976
Other ordinary expenses	12,677	13,111
Net ordinary income	835,841	843,390
Extraordinary gains	1,405	6,846
Gains on sales of fixed assets	258	3,758
Gains on negative goodwill	-	2,680
Compensation for transfer	385	384
Compensation income	761	-
Other extraordinary gains	-	22
Extraordinary losses	75,810	92,589
Losses on sales and disposal of fixed assets	10,866	3,415
Losses on impairment of fixed assets	4,294	5,185
Provision for reserve under the special laws	59,050	78,725
Provision for reserve for price fluctuations	59,050	78,725
Post office refurbishment expenses	-	5,173
Other extraordinary losses	1,599	90
Provision for reserve for policyholder dividends	186,585	192,315
Income before income taxes	574,850	565,331
Income taxes current	276,271	270,040
Income taxes deferred	(95,855)	(109,336)
Total income taxes	180,416	160,703
Net income	394,434	404,628
Net income (loss) attributable to non-controlling interests	177	(41)
Net income attributable to Japan Post Holdings	394,256	404,669

Interim Consolidated Statements of Comprehensive Income
 Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net income	394,434	404,628
Other comprehensive income	167,449	1,285,542
Net unrealized gains (losses) on available-for-sale securities	441,754	1,552,175
Net deferred gains (losses) on hedges	(274,303)	(244,965)
Foreign currency translation adjustments	(2)	16
Adjustments for retirement benefits	-	(21,689)
Share of other comprehensive income of affiliates	-	4
Comprehensive income	561,883	1,690,170
Total comprehensive income attributable to:		
Japan Post Holdings	561,705	1,690,210
Non-controlling interests	177	(40)

(3) Notes to Interim Consolidated Financial Statements

(Notes on Going-Concern Assumption)

None

(Notes to Significant Changes in Shareholders' Equity)

None

(Subsequent Events)

(Establishment of Retirement Benefit Trusts)

At the meeting of the Board of Directors held on September 22, 2014, the Company resolved to establish retirement benefit trusts for the purpose of improving financial soundness of retirement benefits. Based on this resolution, ¥639,944 million of cash and due from banks was contributed on January 29, 2015.

4. Others

(Interim Non-consolidated Financial Statements)

(1) Interim Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	195,114	910,684
Accounts receivable	176,642	72,695
Others	33,162	49,340
Reserve for possible loan losses	(10)	(6)
Total current assets	404,908	1,032,713
Non-current assets		
Tangible fixed assets	136,902	137,646
Intangible fixed assets	1,922	9,277
Investments and other assets		
Stocks of subsidiaries and affiliates	9,195,299	8,495,299
Others	1,216	900
Reserve for possible loan losses	(120)	(90)
Total investments and other assets	9,196,395	8,496,109
Total non-current assets	9,335,220	8,643,033
Total assets	9,740,129	9,675,747

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Income taxes payable	152,891	41,326
Others	25,507	24,772
Total current liabilities	178,399	66,099
Long-term liabilities		
Reserve for retirement benefits	817,712	820,285
Others	24,631	23,873
Total long-term liabilities	842,344	844,159
Total liabilities	1,020,744	910,258
Net assets		
Shareholders' equity		
Capital stock	3,500,000	3,500,000
Capital surplus	4,503,856	4,503,856
Retained earnings	715,528	761,632
Total shareholders' equity	8,719,384	8,765,488
Total net assets	8,719,384	8,765,488
Total liabilities and net assets	9,740,129	9,675,747

(2) Interim Non-consolidated Statements of Income
 Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Operating income	241,605	222,504
Operating expenses	102,670	80,078
Net operating income	138,934	142,426
Other income		
Rent income	1,942	1,884
Others	396	604
Total other income	2,339	2,488
Other expenses		
Rent expenses	853	832
Others	188	264
Total other expenses	1,042	1,097
Net ordinary income	140,231	143,817
Extraordinary gains		
Gains on sales of fixed assets	2	4
Compensation income	443	-
Total extraordinary gains	446	4
Extraordinary losses		
Losses on sales and disposal of fixed assets	39	791
Losses on impairment of fixed assets	1,683	1,573
Total extraordinary losses	1,723	2,364
Income before income taxes	138,954	141,458
Income taxes current	(12,023)	(10,755)
Total income taxes	(12,023)	(10,755)
Net income	150,978	152,213